

Union Calendar No. 101

118TH CONGRESS
1ST SESSION

H. R. 3936

[Report No. 118-129]

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

Mr. SMITH of Missouri introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 30, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on June 9, 2023]

A BILL

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Tax Cuts for Working*
5 *Families Act”.*

6 **SEC. 2. STANDARD DEDUCTION RENAMED GUARANTEED**
7 **DEDUCTION.**

8 *(a) IN GENERAL.—Section 63 of the Internal Revenue*
9 *Code of 1986 is amended—*

10 *(1) by striking “standard deduction” each place*
11 *it appears and inserting “guaranteed deduction”, and*

12 *(2) in subsection (c)—*

13 *(A) in the heading, by striking “STANDARD*
14 *DEDUCTION” and inserting “GUARANTEED DE-*
15 *DUCTION”,*

16 *(B) in the heading of paragraph (2), by*
17 *striking “STANDARD DEDUCTION” and inserting*
18 *“GUARANTEED DEDUCTION”,*

19 *(C) in the heading of paragraph (3), by*
20 *striking “STANDARD DEDUCTION” and inserting*
21 *“GUARANTEED DEDUCTION”,*

22 *(D) in the heading of paragraph (5), by*
23 *striking “STANDARD DEDUCTION” and inserting*
24 *“GUARANTEED DEDUCTION”,*

1 (E) in the heading of paragraph (6), by
2 striking “STANDARD DEDUCTION” and inserting
3 “GUARANTEED DEDUCTION”, and

4 (F) in the heading of paragraph (7)(A), by
5 striking “STANDARD DEDUCTION” and inserting
6 “GUARANTEED DEDUCTION”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 1(g)(4)(A) of such Code is amended
9 by striking “standard deduction” and inserting
10 “guaranteed deduction”.

11 (2) Section 56(b)(1)(D) of such Code is amend-
12 ed—

13 (A) in the heading, by striking “STANDARD
14 DEDUCTION” and inserting “GUARANTEED DE-
15 DUCTION”, and

16 (B) by striking “standard deduction” and
17 inserting “guaranteed deduction”.

18 (3) Section 861(b) of such Code is amended by
19 striking “standard deduction” and inserting “guar-
20 anteed deduction”.

21 (4) Section 862(b) of such Code is amended by
22 striking “standard deduction” and inserting “guar-
23 anteed deduction”.

24 (5) Section 1398(c) of such Code is amended—

1 (A) in the heading, by striking “STANDARD
2 DEDUCTION” and inserting “GUARANTEED DE-
3 DUCTION”,

4 (B) in the heading of paragraph (3), by
5 striking “STANDARD DEDUCTION” and inserting
6 “GUARANTEED DEDUCTION”, and

7 (C) by striking “standard deduction” and
8 inserting “guaranteed deduction”.

9 (6) Section 3402 of such Code is amended by
10 striking “standard deduction” each place it appears
11 and inserting “guaranteed deduction”.

12 (7) Section 6012 of such Code is amended by
13 striking “standard deduction” each place it appears
14 and inserting “guaranteed deduction”.

15 (8) Section 6013(b)(3)(A) of such Code is amend-
16 ed by striking “standard deduction” and inserting
17 “guaranteed deduction”.

18 (9) Section 6014(b)(4) of such Code is amended
19 by striking “standard deduction” and inserting
20 “guaranteed deduction”.

21 (10) Section 6334 of such Code is amended by
22 striking “standard deduction” each place it appears
23 and inserting “guaranteed deduction”.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to taxable years beginning after Decem-*
3 *ber 31, 2023.*

4 **SEC. 3. BONUS GUARANTEED DEDUCTION FOR 2024 AND**
5 **2025.**

6 (a) *IN GENERAL.*—*Section 63(c) of the Internal Rev-*
7 *enue Code of 1986 (as amended by section 2) is amended*
8 *by adding at the end the following new paragraph:*

9 “(8) *BONUS GUARANTEED DEDUCTION FOR TAX-*
10 *ABLE YEARS 2024 AND 2025.*—

11 “(A) *IN GENERAL.*—*In the case of a taxable*
12 *year beginning after December 31, 2023, and be-*
13 *fore January 1, 2026, the guaranteed deduction*
14 *shall be increased by the amount of the bonus*
15 *guaranteed deduction.*

16 “(B) *BONUS GUARANTEED DEDUCTION.*—
17 *For purposes of this paragraph, the bonus guar-*
18 *anteed deduction is—*

19 “(i) *twice the dollar amount in effect*
20 *under clause (iii) in the case of a joint re-*
21 *turn or a surviving spouse (as defined in*
22 *section 2(a)),*

23 “(ii) *\$3,000 in the case of a head of*
24 *household, and*

25 “(iii) *\$2,000 in any other case.*

1 “(C) *ADJUSTMENT FOR INFLATION.*—*In the*
2 *case of a taxable year beginning after 2024, the*
3 *dollar amounts in clauses (ii) and (iii) of sub-*
4 *paragraph (B) shall each be increased by an*
5 *amount equal to—*

6 “(i) *such dollar amount, multiplied by*

7 “(ii) *the cost-of-living adjustment de-*
8 *termined under section 1(f)(3) for the cal-*
9 *endar year in which the taxable year be-*
10 *gins, determined by substituting ‘2023’ for*
11 *‘2016’ in subparagraph (A)(ii) thereof.*

12 *If any increase under this subparagraph is not*
13 *a multiple of \$50, such increase shall be rounded*
14 *to the next lowest multiple of \$50.*

15 “(D) *LIMITATION ON BONUS GUARANTEED*
16 *DEDUCTION BASED ON MODIFIED ADJUSTED*
17 *GROSS INCOME.*—

18 “(i) *IN GENERAL.*—*The bonus guaran-*
19 *teed deduction determined under subpara-*
20 *graph (B) shall be reduced (but not below*
21 *zero) by 5 percent of so much of the tax-*
22 *payer’s modified adjusted gross income as*
23 *exceeds the threshold amount. For purposes*
24 *of the preceding sentence, the term ‘modified*
25 *adjusted gross income’ means adjusted gross*

1 *income increased by any amount excluded*
2 *from gross income under section 911, 931,*
3 *or 933.*

4 “(i) *THRESHOLD AMOUNT.—For pur-*
5 *poses of clause (i), the threshold amount*
6 *is—*

7 “(I) *\$400,000 in the case of a*
8 *joint return or a surviving spouse (as*
9 *defined in section 2(a)),*

10 “(II) *\$300,000 in the case of a*
11 *head of household, and*

12 “(III) *\$200,000 in any other case.*

13 “(E) *BONUS GUARANTEED DEDUCTION NOT*
14 *ALLOWED TO DEPENDENTS.—In the case of any*
15 *individual with respect to whom paragraph (5)*
16 *applies for any taxable year, subparagraph (A)*
17 *shall not apply.”.*

18 (b) *EFFECTIVE DATE.—The amendments made by this*
19 *section shall apply to taxable years beginning after Decem-*
20 *ber 31, 2023.*

Union Calendar No. 101

118TH CONGRESS
1ST Session

H. R. 3936

[Report No. 118-129]

A BILL

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

JUNE 30, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed